

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

December 15, 2004

IN RE:

**PETITION OF TENNESSEE AMERICAN
WATER COMPANY TO CHANGE AND
INCREASE CERTAIN RATES AND
CHARGES SO AS TO PERMIT IT TO
EARN A FAIR AND ADEQUATE RATE
OF RETURN ON ITS PROPERTY USED
AND USEFUL IN FURNISHING WATER
SERVICE TO ITS CUSTOMERS**

**DOCKET NO.
04-00288**

ORDER RE-SUSPENDING INCREASE IN RATES

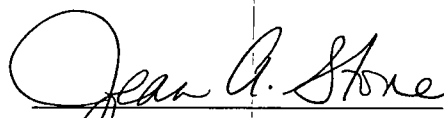
On September 10, 2004, Tennessee American Water Company ("TAWC") filed the *Petition of Tennessee American Water Company to Change and Increase Certain Rates and Charges So As to Permit It to Earn a Fair and Adequate Rate of Return on Its Property Used and Useful in Furnishing Water Service to Its Customers* ("Petition"). In the *Petition*, TAWC asked the Authority to approve a schedule of rates and filed Tariffs set to take effect on October 10, 2004. At a regularly scheduled Authority Conference held on September 27, 2004, the voting panel assigned to this docket voted to suspend the proposed rate increase for 90 days, from October 10, 2004 through January 7, 2005, and to appoint the Authority's General Counsel or his designee to act as the hearing officer in this proceeding to hear preliminary matters prior to the hearing, to rule on any petition(s) for intervention, and to set a procedural schedule to completion.¹

¹ See *Order Suspending Increase in Rates for Ninety Days and Appointing a Hearing Officer* (October 21, 2004)

On October 11, 2004, the Hearing Officer established a procedural schedule setting this matter for a hearing before the panel on January 31, 2005 through February 3, 2005.² At a status conference held on December 6, 2004, the Hearing Officer informed the parties that the next scheduled date for an Authority Conference after the hearing date was February 28, 2005 and that, presumably, the panel would deliberate the merits of the *Petition* on that date. Therefore, in order to allow sufficient time for deliberations by the panel following the hearing, the Hearing Officer found that the rate increase should be suspended through March 9, 2005 or until the panel acted on the merits of the *Petition*, whichever occurred first. In a status report presented to the panel at the regularly scheduled Authority Conference held on December 13, 2004, the Hearing Officer discussed this finding with the panel, which directed the Hearing Officer to re-suspend the rate increase as indicated.

IT IS THEREFORE ORDERED THAT:

The rate increase proposed by Tennessee American Water Company in the *Petition of Tennessee American Water Company to Change and Increase Certain Rates and Charges So As to Permit It to Earn a Fair and Adequate Rate of Return on Its Property Used and Useful in Furnishing Water Service to Its Customers* is re-suspended through March 9, 2005 or until the Panel acts on the merits of the *Petition*, whichever occurs first.


Jean A. Stone, Hearing Officer

² Although the procedural schedule has been amended, the scheduled dates for the hearing have remained unchanged since October 11, 2004